

ONLINE EXCLUSIVE:  
ACCOUNTING FIRM ROCKS OUT WITH THIRD MUSIC VIDEO ([www.CPAPracticeAdvisor.com/10848785](http://www.CPAPracticeAdvisor.com/10848785))

# CPA Practice Advisor

EDITION

Today's Technology for Tomorrow's Firm

**4 Specialty  
Tax Tools  
Help Fill  
Niche  
Needs**

**Mobile Trends  
to Watch:  
Mobile Web and  
Customization**

**How to Create  
a No-Equity  
Partner Position  
in Your Firm**

**New Tools,  
Now What?**

**2013  
Resolutions:  
4 for More**

**PRODUCT REVIEW:  
Client Write-Up Systems**

## All My Nexus Live in Texas

A Texas CPA and Rancher  
Helps His Clients with  
Sales Tax Issues

# Working More, Less or Just Different?

**It was Christmas Eve and all the meteorologists were talking about the impending blizzard. They were calling for 10 inches of snow starting early morning on the day after Christmas. I just so happened to have flight reservations at the same time the storm was forecasted to hit. Great.**

I had planned two weeks in Sarasota, Florida, with my wife and kids...the first week with the kids and the following week without. The kids, naturally, wanted to be back in Indiana to enjoy the New Year festivities with their friends. We did end up flying out of Indiana just in time...just as the blizzard was starting. I breathed a sigh of relief.

And trust me when I tell you that I found the 70 degree weather in Florida much more enjoyable than the below freezing temps we had left behind in Indiana.

I tell you this to make a very clear point. While end of year and early January would typically be a busy and stressful time at my firm, barring me from a lengthy out-of-town excursion, it was not an issue. Technology has lifted the barriers of time and geography, so going to Florida didn't mean I couldn't work. In fact, I probably worked more than I should have, but at least I had the option to work on the beach and not in a snow bank.

With the advent of Cloud technologies and the removal of any tether to the office, I'm honestly working more than ever. Constantly inundated with emails and text messages, blogs to write, keeping up with technology change, and figuring out complicated tax issues...I don't think working less is on the horizon. So, what's really different today than in years past? If we're not working less, then how do we cope?

My perspective is that it's no longer about working less. It's about working *differently*. Take a step back in time with me for a moment. In years past, the majority of work was done at our desks. We got up in the morning, headed to the office, and put in our 10-14 hours. I was tied to paper files, the copy machine, and onsite client meetings. With powerful technology, we are no longer



tied to our offices. We have the freedom to work remotely (the beach versus the snow)—we have a choice to work the way WE want to work. So working long hours, well, it doesn't have to be such a hardship. Working differently is how firms need to be thinking.

If firm leaders want to attract the best and the brightest, a culture shift needs to occur. Firms must get into a mindset of working differently. For example:

- **Embrace a Culture of Fun:** People want to work in a positive, fun environment. Check out Withum Smith & Brown's video on Youtube ([http://www.youtube.com/watch?v=1EymCFOP14Q&feature=player\\_embedded](http://www.youtube.com/watch?v=1EymCFOP14Q&feature=player_embedded)). It's a great example of a fun firm culture.

- **Demolish the Walls of Geography:** Firms must embrace a digital culture in order to support a true remote-enabled work environment. This means digital storage, digital workflow, and digital delivery.

- **Develop a Results-driven Culture (not one based on the billable hour):** As long as systems are tied to the billable hour, firms will judge staff and professionals on the hours we see them at the office. This leaves NO room for working off site or abandoning the very outdated time clock mentality.

- **Develop a Culture of Change:** Change is happening all around, meaning that firms must be in a mode of constant evolution.

Think about the kind of firm in which you want to work. Is it a firm that's fun? Can you work from home, the coffee shop, or on the beach? Is it a firm where you are assessed on results and not the hours you sit at your desk? If your firm is none of these things currently...it's time to make changes. ●



Darren is the Executive Editor of CPA Practice Advisor. He remains in public practice as the principal of Root & Associates, LLC, in Bloomington, Indiana, and is president of his consulting practice, RootWorks. He formerly served on the Board of the AICPA's CITP Credentials Committee and is a former member of the Board of Directors for the Indiana CPA Society. He speaks at dozens of professional organizations each year and frequently serves as a guest lecturer at Indiana University's Kelley School of Business.

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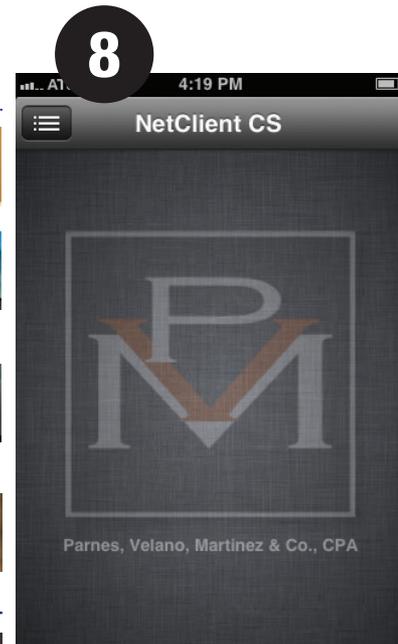


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**Find the Best Fit for Document Management**  
[www.CPAPracticeAdvisor.com/dms-survey](http://www.CPAPracticeAdvisor.com/dms-survey)

**Check out our Online Buyer's Guide**  
[www.CPAPracticeAdvisor.com/directory](http://www.CPAPracticeAdvisor.com/directory)

**Share Your Thoughts on our Blog**  
[www.CPAPracticeAdvisor.com/blogs](http://www.CPAPracticeAdvisor.com/blogs)



# 4 Specialty Tax Tools That Help Fill Niche Needs

**The good news is that Congress finally passed tax and budget legislation on the first day of the year. While the deal seems to have left people on both sides of the political aisle less than satisfied, at least tax professionals and taxpayers now know what the rules will be for TY 2013.**

That may be the tax code starting with this year, pending a myriad of likely additional changes, but it also affects planning and strategic preparation of client returns for TY 2012. With changes in capital gains taxation and a new top rate, income taxation on high income earners is an area of particular scrutiny this year, and as tax professionals start the season, they often turn to specialty tools that help with areas that many professional tax preparation packages may not cover deeply enough for their client's needs.



Isaac is the Editor for CPA Practice Advisor, having joined the publication in September 2002. Through his experience in the areas of consumer and professional-level software and peripherals, as well as knowledge of the public accounting field, he provides reviews of technologies used by accountants and their business clients as well as contributing a regular column that provides helpful information that ranges from improving search techniques to when to upgrade a computer to computing security issues. He can be reached at [isaac.obannon@cpapracticeadvisor.com](mailto:isaac.obannon@cpapracticeadvisor.com).

## Netbasis ([www.Netbasis.com](http://www.Netbasis.com))

The more complex a taxpayer's investments and trading activity, the more difficult their Schedule D becomes. Netbasis is designed to streamline the processes involved in managing statements from multiple brokerage accounts and financial institutions, and then calculating the associated costs basis and gain and loss amounts for traded securities.

The system includes tools that can simplify calculations for even assets with long and complicated histories, or when clients are missing information about the initial purchase of the investment. The program also offers tax and estate planning features.

One of the newest utilities in Netbasis is the 8949 Verifier, which can instantly verify the accuracy of a client's Form 8949 prior to reporting. The system includes color-coded alerts for quick reference and expedited work flow, allowing professionals to quickly see varying degrees of deviation from accurate cost basis calculations.

## Beyond415 ([www.Beyond415.com](http://www.Beyond415.com))

Tax season doesn't end on April 15, particularly for professionals with a significant number of clients on extension and, of course, managing IRS issues and notices. The web-based Beyond415 system is designed to help tax professionals quickly and efficiently manage these issues by automating post-filing IRS issues from start to finish.

The program also includes expert guidance for analyzing client taxation issues, offers options for IRS account research, and provides tools for evaluating and comparing potential solutions. Beyond415 is available in versions designed for either small or large practices with multi-professional collaboration needs.

The company behind the program, New River Innovation, was cofounded by a 19-year IRS audit veteran, and they recently released a new cloud-based IRS research center called Beyond415Guidance. The system offers extended research and analysis tools, including searchable guidance that covers individual, business and payroll areas of IRS practice and procedure.

Features in the new application include a comprehensive IRS notice database, issue-specific guides, sample call scripts and documents for communicating with the IRS and a visual process map for navigating client issues from beginning to end.

## Tax-Aside ([www.Tax-Aside.com](http://www.Tax-Aside.com))

Sometimes self-employed earners and small business owners aren't as diligent in paying their quarterly estimated taxes as they intended to be, and that can have painful consequences when they complete their annual return.

The Tax-Aside system from DynaTax provides an easy to use web-based tool for these taxpayers to calculate, schedule and pay their estimated taxes, with alerts that remind them of deadlines. Additional functions include a periodic estimated tax calculator that helps users break those quarterly payments into more manageable weekly, biweekly or monthly self-applied withholding. Withheld amounts can even be automatically transferred into an FDIC-insured, interest-bearing escrow account in the user's name, from which the taxpayer can

electronically make quarterly payments. The calculator also includes tools for adjusting amounts when cashflow needs require, and alerts can be received via email, and confirmation notices are verify IRS acceptance. The web-based program can be accessed from anywhere and on all web-enabled mobile devices.



## CFS TaxTools ([www.TaxTools.com](http://www.TaxTools.com))

Not every tax preparation system includes every form, calculator, expense tracking and planning tools, which is why the TaxTools program from CFS Tax Software has been a popular low-cost addition for many tax practices.

The \$189 system includes client worksheets, hundreds of tax forms, including SS-4, Power of Attorney and Offers in Compromise, as well as client communication and document management tools. Useful preconfigured financial calculators are available for dozens of factors, including mutual fund average cost basis, reverse mortgage, after-tax yield, estate tax, buy versus lease, amortization and investment calculations.

The tax planning tools allow estimating out to five years or five scenarios, with built in data for AMT, self-employment taxes, EIC, child tax and dependent care credits, and phase-outs. TaxTools can import client data from Lacerte, ProSeries, TaxWorks, ProSystem fx and from ASCII files. ●

## REVIEW SECTIONS

### BASIC SYSTEM FUNCTIONS

- General Navigation/Ease-of-Use
- Multiple Concurrent Users
- Multi-Client Management/Setup
- System Customization, Alerts

### CORE WRITE-UP FEATURES

- Account/GL/Journal Management
- Adjusting entries, re-class and recurring entries
- Reconciliation
- Checkwriting
- After-the-Fact Payroll/Tax Tables/Reporting
- Financial Ratios

### REPORTING & FINANCIAL STATEMENTS

- Customizable Reporting/Output Formats
- Financial Statement Generation, Customization
- Communication Templates & Deliverables
- Invoicing/Billing Functions

### IMPORT/EXPORT/ INTEGRATION

- Import Capabilities
- Imported data review functions/process
- Integration w/Payroll apps
- Client Portal Options
- Export to Common file formats, PDF, Excel, Word

### HELP/SUPPORT

- Built-in Support Features
- OS/Browser Compatibility
- Support Website/documentation
- Live Support (includes phone)

# How Technology is Streamlining Write-Up

By Isaac M. O'Bannon, Editor

Whatever you call internet-based programs (cloud, web-based, online systems), the technology is significantly changing many aspects of the modern practice and how firms offer services to clients. With tax prep, the changes are noticeable in the move to paperless engagements, online tax organizers, portals and tax research.

Perhaps the next most noticeable change the technology has made to a client service is in write-up. The processes, which include bank reconciliations, journal management, once tedious transaction corrections, payroll compliance and financial statement generation, is changing dramatically.

All of these functions are becoming much more streamlined and less laborious as clients and accountants move toward online accounting systems that automatically share data or, even better, allow the accountant to have direct access to a client's live books, with no need for data transfer, which reduces manual entry and lets both sides keep working.

We last reviewed professional client write-up systems only a few months ago, but this year's review of these systems was moved up in our editorial calendar. While not a whole lot has changed in the time since that last review, not everything is exactly the same, either.

The most notable changes, in keeping with the move toward cloud/web-based systems in both client offices and for professional accounting firms, are that more of the programs are moving toward being online, or at least offering online versions in addition to having installed versions.

As a result, there are two new systems included in this review compared to the last time: The first is QuickBooks Online

tools for managing clients using the business version or other accounting systems.

Other cloud-related changes since the last review of write-up systems involve PC Software Accounting's ([www.PCSAI.com](http://www.PCSAI.com)) Client Write-Up program, which is now available either as an installed or hosted program, and the Accounting Xpert system from Micronetics ([www.Micronetics.com](http://www.Micronetics.com)), which has also added a hosted version, along with support for mobile

### STAR RATING EXPLANATION

Each technology reviewed by *CPA Practice Advisor* is rated on core areas and also by subcategories unique to that type of system. For the products reviewed here, those areas are listed on the left side of this page. In addition to the overall ratings shown on these review pages, you can view the detailed scores that each product received by viewing the reviews online at [www.CPAPracticeAdvisor.com/10844553](http://www.CPAPracticeAdvisor.com/10844553).

Accountant Edition ([www.accountants.intuit.com](http://www.accountants.intuit.com)), which is designed to give professionals a singular access point for all of their clients using the business version of QuickBooks Online, and providing additional tools for reconciliation and account management.

Also new is the Xero Accountant version ([www.xero.com/partners](http://www.xero.com/partners)), which is offered as a part of the company's Partner Program. Xero has been offering its business-side online accounting program globally for several years, and made a big entry into the U.S. market a couple of years ago. The Accountant version is geared toward giving firms write-up oriented

devices such as tablets and smart phones.

The other programs in this review, from AccountantsWorld, CYMA and Thomson Reuters, are all offered either as online systems or users can have them hosted by the vendor. Likewise with QuickBooks Accountant 2013, which can be hosted by several companies.

For those with large enterprise clients with internal accounting departments who manage their own reconciliations and period-close processes, companies like BlackLine Systems ([www.BlackLine.com](http://www.BlackLine.com)) offer custom accounting solutions that are available in-house or in the cloud, and are tailored to their specific needs. ●

## Micronetics Accounting Xpert Enterprise Edition Client Write-Up

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/10844575](http://www.CPAPracticeAdvisor.com/10844575)

2013  
OVERALL  
RATING

4.75

### BEST FIT

Accounting Xpert is designed for accounting professionals serving multiple clients of any size, including mid-sized and larger enterprises with consolidation needs and multiple locations.

### STRENGTHS

- Supports consolidated and multi-division, multi-location entities
- Offers reporting for any desired time period/years

- Strong reporting and financials customization
- Newly-added support for mobile devices, including iPad and Android

### POTENTIAL LIMITATIONS

- Limited online self-support tools

### SUMMARY & PRICING

Accounting Xpert Enterprise Edition Client Write-Up offers comprehensive features for firms providing write-up and financial reporting for any size

business, particularly those with consolidation needs, and gives strong control over journals and GL. The reconciliation functions are also well-designed to streamline the process. The recently added hosting option, in addition to the traditional installed version of the program, makes the program more attractive to firms who are moving to web-based systems. Along the same lines, the hosted version can be fully accessed and run

on mobile devices.

The networkable version of the system costs \$995 for the first user and \$245 for each additional user. Annual program renewals, which include support and the payroll tax update, cost \$495, which covers up to 10 users. The optional Checkbook Xpert module costs \$195.

561-995-1477  
[www.xpert.com](http://www.xpert.com)

# CLIENT WRITE-UP SYSTEMS

## Xero Partner Program – Accountant Version

2013  
OVERALL  
RATING

4.75

### BEST FIT

Technologically progressive firms wanting a completely web-based professional accounting solution for use in performing periodic client write-up services, including account reconciliations, payroll reporting, ledger and journal management, and financial reporting.

### STRENGTHS

- Online bank integration supports many deposit and credit card accounts
- Reconciliation tools simplify classification of routine transactions
- When supporting clients also using Xero, the system provides excellent collaboration tools for automating reconciliation pro-

cesses

- Automated multi-currency support across all clients
- Built-in invoicing, along with strong reporting and output options

### POTENTIAL LIMITATIONS

- No direct inventory management options, but Integration is available with third party solutions.
- Xero has a large and growing user base, but the U.S. version of the program is still maturing.
- Primarily online and email-based support.

### SUMMARY & PRICING

Xero has entered the professional accounting and write-up space with a

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10848356](http://www.CPAPracticeAdvisor.com/10848356)

strong system that includes excellent integration functionality and strong reconciliation features, along with instant access to the live data of clients who are using Xero for their businesses. The free Partner Program, which includes the most functional version of the Xero platform, also includes practice management utilities and additional tools and add-on options. Extra benefits include marketing leads, a directory listing on the company's "find an accountant" list, training, promotional material and a dedicated account manager for support.

Pricing for the Large Business version that is included with the Partner Program for accounting firms is normally \$39 per month, but since the

goal of the partner program seems to be A) helping firms move to the cloud and manage their clients that way, and B) to get more businesses onto Xero, there is no cost to accounting firms that are a part of the Partner Program.

For clients, in addition to the Large business version mentioned above, there are also versions for Small (\$19 per month) and Medium (\$29 per month), with no limit to the number of users. However, the Small version does have a low limit on invoices, bills and bank statements. The other versions have no limits on these features.

800-411-9376  
[www.Xero.com](http://www.Xero.com)

## AccountantsWorld – Accounting Relief

2013  
OVERALL  
RATING

4.75

### BEST FIT

Public accountants providing write-up services for multiple clients, who also want to take their firm and clients to a web-based solution that gives the professional anytime access to their clients' live data, eliminating data transfer.

### STRENGTHS

- Integrated web-based professional and client-side bookkeeping
- Anytime access to live client data, with no data transfer necessary
- Redesigned interfaces supports all

web and mobile browsers

- Client portals and collaboration features are core elements of system
- Customization of reports client letters, templates and financial reporting

### POTENTIAL LIMITATIONS

- Batch processing functions are limited
- Client-side bookkeeping best designed for small service businesses

### SUMMARY & PRICING

AccountantsWorld has been one of the innovators in developing web-based

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10844610](http://www.CPAPracticeAdvisor.com/10844610)

professional systems, and the Accounting Relief system received one of our Innovation Awards in 2010. Since then, the company has added to the program's features and work screens, making it an increasingly valuable system for firms managing the various write-up functions for clients, from correcting client errors, making adjusting entries, performing reconciliations and client check writing. Additional modules are available for live and after-the-fact payroll and wage reporting, as well as for practice and document management functions.

Once again, the integration of a web-based client-side bookkeeping solution into the professional program is one of the most beneficial features, ensuring that the firm and client are always working with the correct data.

Accounting Relief costs \$99 per month or \$990 per year, with an additional cost of \$9.95 per month, per client for the client bookkeeping module. First-year pricing with unlimited client bookkeeping modules is \$149 per month or \$1,495 per year.

888-999-1366 ext 517  
[www.AccountantsWorld.com](http://www.AccountantsWorld.com)

## Thomson Reuters Accounting CS

2013  
OVERALL  
RATING

5

### BEST FIT

Full-service accounting practices that provide periodic client services that include account reconciliations, journal and ledger management, financial reporting and other functions associated with write-up, and want a system that integrates with a larger suite of professional programs.

### STRENGTHS

- Built-in trial balance utility
- Direct integration with tax, payroll, portals and other CS Professional Suite programs
- Optional online client-side

accounting system integrates with professional system, allowing firm to work with live client data and provide clients with real-time reports

- Optional client portals and mobile apps for file sharing and collaboration
- Robust customizable reporting and financial statement generation

### POTENTIAL LIMITATIONS

- Technical support is free only during initial 60 days for installed version, but is included with SaaS version.

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10848738](http://www.CPAPracticeAdvisor.com/10848738)

### SUMMARY & PRICING

Used either as a stand-alone program or as part of the CS Professional Suite, Accounting CS provides comprehensive client write-up functionality, from streamlined reconciliation and journals management, to strong transaction processing utilities, broad payroll compliance reporting and a large collection of customizable financial and managerial reporting options. The system is best used in conjunction with the CS Professional Suite, enabling direct integration with tax, document management and portals, which can

reduce data entry tasks, improve accuracy and foster client collaboration. Pricing for Accounting CS starts at about \$2,900.

800-968-8900  
[CS.ThomsonReuters.com](http://CS.ThomsonReuters.com)

## QuickBooks Accountant 2013



### BEST FIT

Accounting practices providing write-up features for clients that use QuickBooks.

### STRENGTHS

- Accountant version includes all industry-specific versions of QuickBooks
- Streamlined navigation and interface
- Batch and pasting of thousands of transactions at once
- Output to PDF, Excel and other formats

- Built-in client invoicing and electronic payment options
- Mobile apps
- Electronically receive and send data to clients

### POTENTIAL LIMITATIONS

- No client portals, although Accountant Copy allows data file sharing
- Live tech support is only free for 30 days unless user is a QuickBooks ProAdvisor

### SUMMARY & PRICING

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/10844581](http://www.CPAPracticeAdvisor.com/10844581)

QuickBooks Accountant 2013 has many new features that aid in managing the accounts of multiple clients, with a variety of new tools specifically designed for write-up processes. These include batch and pasting for transaction entry, encrypted emailing of journal entries to clients, and Client Data Review tools. The system also includes intelligent import functions that recognize the year and version a client's files are saved in and retains that format.

The system is best suited to

accounting firms with small and mid-sized clients using any version of QuickBooks for their business management. Pricing for QuickBooks Accountant 2013 starts at \$499.95 per year for a single user, and \$1,399.95 for a three-user license. The system can also be purchased on a subscription basis starting at \$49.99 per month. The QuickBooks Statement Writer is included with the program.

800-267-8379  
[www.accountant.intuit.com](http://www.accountant.intuit.com)

## CYMA 13: Financial Management System



### BEST FIT

Accounting firms that offer write-up, payroll compliance and reconciliation services to mid-sized and larger business clients, particularly consolidated entities and those with multiple locations or subsidiaries. Businesses can also use the system in-house.

### STRENGTHS

- Good customization options
- Support for consolidations of multi-division/location entities
- Good reporting, customization, batch options and financials generation
- Comprehensive modules with direct integration
- Export to many file formats

### POTENTIAL LIMITATIONS

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/10844564](http://www.CPAPracticeAdvisor.com/10844564)

- Module-based system
- Live support not included in pricing
- No online file sharing or portals

### SUMMARY & PRICING

The CYMA Financial Management System provides a strong multi-client or in-house financial management system, with key modules designed for managing even complex business organizations with consolidated

sub-entities and multi-divisional enterprises. Pricing for the system is dependent upon specific modules and the number of users.

800-292-2962  
[www.cyma.com](http://www.cyma.com)

## PC Software Accounting, Inc. – Client Write-Up for Windows



### BEST FIT

Professionals who want an installed or web-hosted write-up utility and who prefer a fast, heads-down data entry approach. Also for firms using older systems looking for conversions into a new program.

### STRENGTHS

- Fast data entry
- Includes full GL, AP, AR and

- journals management capabilities
- Streamlined reconciliation processes
- Strong reporting functions
- Comprehensive after-the-fact payroll

### POTENTIAL LIMITATIONS

- Limited online self-support tools
- Unique interface may require training

### SUMMARY & PRICING

Client Write-Up for Windows is best suited to professionals who prefer a heads-down approach, providing options for managing clients of any size. It is a best fit for firms seeking an on-premise solution with greater functionality than off-the-shelf software, and who know the intricacies of write-up. Pricing remains unchanged

at \$795 for a single user version, and \$895 for a version that can be used by any number of staff in an office. The Computer Checkbook module costs \$295 the first year, and \$145 per year thereafter.

800-237-9234  
[www.pcsai.com](http://www.pcsai.com)

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/10845220](http://www.CPAPracticeAdvisor.com/10845220)

## QuickBooks Online Accountant



### BEST FIT

Professionals seeking a web-based professional write-up solution that integrates directly with their clients' versions of QuickBooks Online.

### STRENGTHS

- Multiple client management in single online program
- Accountant Center with tools for books review and clean up
- Simple connection to clients' QuickBooks Online
- Reporting options include PDF,

- Excel output
- Client invoicing and e-payment functions
- Customizable work screens and widgets

### POTENTIAL LIMITATIONS

- Although online system allows access to all client data, no portals for sharing other files
- Does not integrate with desktop version of QuickBooks

### SUMMARY & PRICING

The new QuickBooks Online

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/1084809](http://www.CPAPracticeAdvisor.com/1084809)

Accountant is a welcome addition for firms who are moving their clients to web-based systems, and provides streamlined multi-client management tools for write-up and client journal and ledger management. The direct linking with client financial institutions makes account reconciliations more accurate and up-to-date, and various other data tools offer good functions for firms providing monthly accounting management services.

Currently, QuickBooks Online Accountant is free for 180 days, after

which ProAdvisor members have no charge to continue using the system. Other professionals will also be able to continue using it free if they have at least one current QuickBooks Online client being managed in the system.

800-267-8379  
<http://accountants.intuit.com/accounting/quickbooks/online-accountant/>

# Mobile Trends to Watch: Mobile Web and Customization

There are a number of major trends in the mobile space which will change the way software providers deliver applications and services to us mobile devices in 2013. Two of these trends are the move toward Mobile Websites instead of apps, as well as customizable apps which allow a firm to brand a client-facing app with their name and logo.

## Mobile Apps Will Give Way to Mobile Web

The historical model for a mobile app has involved creating an iPhone app, followed by versions for Android and Windows Phone. Unfortunately, the cost of writing, updating, and troubleshooting apps on multiple devices running different versions of multiple platforms

is not sustainable in the long run.

While two operating systems (Google Android and Apple iOS) are used in the vast majority of smartphone and tablet installations, we are starting to see signs that the huge numbers of combinations of devices and operating system versions are becoming difficult, if not impossible to manage. Although the latest version of Google's Android operating system (Jelly Bean, versions 4.1-4.2) was released in July 2012, and is on all of the newest devices, this version only has a 10.2 percent market share on active devices, as compared to a 47.6 percent market share for the "Gingerbread" version (v. 2.3). When one considers the resurgence of Windows Phone, along with releases expected from RIM (BlackBerry) and rumored phones running Ubuntu Linux, the only way to reach all of these platforms is to create a mobile website.

Term Evolution). While Verizon and AT&T have the largest LTE networks, Sprint and T-Mobile have committed to large investments in their networks to support better coverage and higher throughput speeds.

These two trends will likely push more information to mobile web portals instead of custom apps. A secret shared by many of apps in the existing app stores is that the "app" is not much more than a glorified web bookmark. This trend will continue as the fragmentation of operating systems and versions makes it more difficult for publishers to have a single app on multiple platforms.

## The Emergence of the Customizable App

Given the move to sites instead of apps, it becomes much easier for service providers and end users to push updates to end users which tailor the user experience to match a firm's branding and messaging. Two examples of this strategy in action are embodied in the MobileNSA Membership app used by the National Society of Accountants (NSA) and the Thomson Reuters NetClient CS app.

The National Society of Accountants (NSA) Mobile MemberConnect app is a generic software which is used by a number of organizations to



The NSA Mobile MemberConnect and Thomson Reuters NetClient CS Mobile App are examples of customizable apps which integrate with web services.

tion is available at [www.nsaacct.org/MobileNSAMembershipApp/tabid/9872/Default.aspx](http://www.nsaacct.org/MobileNSAMembershipApp/tabid/9872/Default.aspx)

Thomson Reuters announced the new NetClient CS Mobile App at the Synergy User Conference in December. While this application integrates mobile devices into the CS Suite's client web portals, it also allows firms to rebrand their mobile app with the firm logo and name without having to write, support, and update a custom app. While I have no knowledge of plans from publishers to create similar customizable branding, I would not be surprised to see other client-facing apps which can be branded by firms so that they can collaborate more effectively with clients in 2013.

## Conclusion

While software apps started out as large, complex programs similar to on-premises desktop computer applications, they have evolved to provide the capabilities of a web-connected browser session, the branding of a custom application, and the convenience of an "off-the shelf" software tool. These new strategies decrease cost and complexity while increasing flexibility and customization. Look for other publishers to adopt similar strategies which leverage their web platforms to deliver services to clients and staff over a wide range of mobile platforms. ●



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THESE NEW STRATEGIES DECREASE COST AND COMPLEXITY  
WHILE INCREASING FLEXIBILITY AND CUSTOMIZATION.

The good news for this approach is that high speed data coverage is good, and getting much better. The major carriers in the US have agreed upon a single standard for high speed mobile data – LTE (Long

deliver services to their members. The app, which is available for both iOS and Android devices can be downloaded to a device, and is customized for NSA members when they log into their online account. More informa-

# The Advantages of Running Windows 8 in “God Mode”



**have to confess that I am a gamer. I have spent more than one night muttering, “Just one more level.” And I have even been known to engage in petty competitions with friends and family over who has racked up the highest scores.**

I confess this so that you will understand the concept of “God Mode”. In First Person Shooter games, “God Mode” is a secret code put in by the programmers to allow you to test the program. In this mode, you have unlimited lives and unlimited ammunition. This enables the tester to run all of the levels without having to constantly restart the game because the six-armed monster just around the corner ate all the ammunition, then killed the tester.

For gamers, learning the secret code for “God Mode” means you can win every level quickly. No, it is not fair. That’s why they call it a cheat code.

Of late, there has been a lot of idle chatter about a “God Mode” built into Windows 8. In point of fact, this mode was also built into Windows 7, and some of us use it as a routine part of our administrative tools. Without killing any users on the PC, I might add. Nonetheless, the chatter is that this mode is

somehow just nonsense, a trivial rearrangement of commands you can easily get elsewhere.

I disagree.

The “God Mode” built into windows (with no respect mean to any deity you may choose to revere) is a folder that presents, in one place, all of the customization features and options normally found in the Control Panel, on the desktop video panel, and a dozen other places.

Creating this folder is easy:

- On your desktop, right-mouse click and select “New,” then “Folder.”
- Rename the folder “GodMode. {ED7BA470-8E54-465E-825C-99712043E01C}”
- Open the folder, and have fun perusing the commands located there.

In Windows 7, this is a handy way to find all of the commands you need to do useful things in one or two steps, instead of three or four. In Windows 8, however, it is far more useful.

Remember, there is no “Control Panel” in Windows 8, just as there is no “Start Button.” This means that if you want to customize Windows, or make adjustments to key options, you have to swipe the screen to call up the “Charms,” then select the “Setup” charm, and then find what you need to change. The process wears me out just thinking about it.

But “God Mode” provides an elegant solution. Under Windows 8, you can create a folder for this mode in the “Desktop” section. Or even create a special folder for it on the main Start Screen. Either way, it will be faster and easier than battling through the layers of

Windows 8, especially in the early months when you are still figuring out how you want your desktop configured.

It may not give you unlimited lives or ammo, but it will give you easy access to the customization features you need. And that may, indeed, make you a deity of Windows 8.

## REALITY CHECK

A compendium of ideas, products, rants and raves from the viewpoint of the author. Not that the author has no financial interests in any of the products mentioned. Feel free to disagree, or to share your ideas by sending them to [davemcclure@cpata.com](mailto:davemcclure@cpata.com).

## INTERNET SITE OF THE MONTH

**Windows 8 Upgrade Assistant** (<http://windows.microsoft.com/en-US/windows-8/upgrade-to-windows-8>). Windows 8 is a new operating system, the first major step toward 64-bit computing, and it is important to know if it will run with all of your software and hardware. This free application will run on your current machine and tell you how painless (or painful) the upgrade will be.



**The BelArc Advisor.** For those maintaining a personal computer at home, this is a handy free utility that provides a complete audit of the hardware and systems of your computer.

Available at [http://www.belarc.com/free\\_download.html](http://www.belarc.com/free_download.html), note that this is for personal and not business use. Still, it is worth using at home to keep a log of what you have in the system, including model numbers, BIOS numbers, etc.



**Online Games.** Seems like everyone on Facebook has tried one of the sets of games advertised on the right side of the screen, or sent to them by friends. And has therefore suffered the

slings and arrows of outrageous viruses. Yes, the games on Facebook are chock full of them. So are most of the ones available on the “free” gaming sites – how else do you think they pay for the sites, except by stealing your personal information and identity? As with anything else on the Internet, there is no such thing as “free.”



## Touch Screen Monitors.

Truth is, the Windows 8 operating system was made for touch screens. But that doesn’t mean that you should rush out to

buy a touch screen monitor, any more than you should upgrade to Windows 8 in the middle of tax season. Both require some caution, particularly since the prices are still a tad on the high side. By May, when you have the time and patience to upgrade, prices should be lower.



## Hardware Incompatibility.

It happens with every major upgrade of the Windows operating system. Some hardware vendors take the opportunity to force you to upgrade their products by simply not writing drivers for the new system. While nearly all of the 64-bit hardware drivers that worked under Windows 7 will continue to work, there is no guarantee that they all will. And 32-bit drivers... well, call the manufacturer to make sure.



**X-Box 720.** The next generation of the Microsoft gaming console is beset by the usual rumors, but the system – code named “Durango” – is said to be a 1.6 Gb quad-core machine with 8 Gb of RAM and will use Blu-Ray disks in order to make use of the larger storage capacity of those over standard DVDs. Planned for release prior to the holidays...next year. ●



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# New Tools, Now What?

**A**fter the frenzy of new hardware introductions in 2012, it is time to get down to business and use these tools for the benefit of our clients and ourselves this year. Most hardware products that were shipping in February of 2012 have been replaced with an updated model or a radically better piece of hardware to do the job.

For example, there is not a single phone or tablet that I'm recommending right now that was available a year ago. The same is largely true for desktops, portables, monitors, scanners, servers, firewalls...you get the idea.

Using the new hardware to our advantage, and making the right strategic choice of technology is critical to maximizing business results. What can we gain by using touch screens? Where does it make sense to use tablets? Does everyone need portable technology to do their job effectively? What is the ROI like? Will we be able to see tangible results by making hardware changes? What about software to

support this new hardware?

As 2013 unfolds, we'll see new software to support the release of Windows 8 and Office 2013 plus many new products that have merit on their own.

## The Shift

One of the more difficult transition decisions will be to embrace touch screen technology. Almost as difficult is learning to use gesture based touchpads instead of the mice that we are now are quite comfortable to use. Microsoft has taken the position with Windows 8 that laptops and tablets should use touchscreen and even desktops can be driven by touch although mouse support is included.

Further, support for touch pads, handwriting script and voice are all more sophisticated and reliable on Windows 8, providing a new way to interface with your computer. On the other hand, Apple is taking the position that a desktop computer is better off without touch and that a mouse is still your best friend... although my personal preference is still for a two button mouse on OS X, instead of the one button approach preferred by Apple engineering.

Not supporting touch in desktops is particularly interesting given the touch culture of the iPad, iPod and iPhone. Just because we have the engine and transmission to run faster with touch in Windows 8, doesn't mean we have the fuel of new applications to drive the experience.

However, if the changes in applications like Skype are any indication of the future of Windows applications,



you can count me in for this new way of working. Touch screens and touch pads will also force us into changing our desks, monitors, and keyboard set up, which is more expense, too.

The tiles and the icons of the new Windows 8 are active, meaning they display content in addition to simply being an icon. This subtle change lets you see summarized or key information in a scrolling display without ever entering the application creating an active dashboard. We have some concern for the potential security issues, but in the big picture, the scrolling icons are certainly productive.

This feature alone has driven me to new hardware that can support Windows 8 mobile on a new generation phone. This touch screen user experience with Windows 8 puts us in a position we have to consider the end-user hardware, even if we strategically say "no" to upgrades. Windows 8 performs slightly faster than Windows 7 on the same hardware, but what a difference touch screens and Solid State Drives (SSDs) make in the experience.

Another notable Windows 8 feature is Windows to Go, which allows a complete machine to be installed on a USB stick, accommodating contractors and temporary workers on their own equipment. This technology further supports a Bring Your Own Device (BYOD) strategy.

Servers, SANs and their supporting disks, switches and more have also

had notable hardware upgrades during the past year. Even if you take everything to the cloud, these data centers have to frequently update their hardware to remain competitive, and this will affect your monthly costs.

If you maintain a server farm in-house, the economics and performance of the new hardware will make the use of virtual desktops feasible and affordable over the next year or two. Even if you are using virtual desktops, end user hardware will still need to be replaced and when you do, Ultrabooks, Thin Clients and other new hardware is likely in your future.

Even though pundits are reporting that computer sales are slowing, most of us will still need one or more computers to get our job done. Our current working rule is that if you are replacing any hardware, look to see of the strategy you have been using still makes sense. Stay the course if it does, but don't be afraid to shift now to maximize your ROI.

## The Plan

Step back and question all of your prior technology decisions. We have seen brand loyalty shifts that are big, but for now, we still recommend a level of brand loyalty to minimize operational costs. If you are an HP shop, remain an HP shop...or Dell, Lenovo or Samsung for that matter.

If you decide to make a brand switch, have a plan to make the switch completely over a relatively short



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period of time. One caution in this area: we have extended the amount of time that desktops and some laptops are kept because the virtual desktop or remote access environment has made us less dependent on a specific computer.

Look at your business plan and needs. If the strategy and tactics are still pretty much the same, look at your IT strategy and tactics and see if they should remain the same, too. If both the business plan and IT plan are relatively stable, assess the changes in your software.

Is the publisher doing things pretty much the same, or are they making strategic shifts? Two big examples might come from CCH and Intuit. CCH SaaS is a strategic shift in the



product offerings from this major publisher. Intuit has made a radically different user interface in QuickBooks 2013 available, and has been working on the QuickBooks Online interface for over two years, making for a wonderful experience on a tablet.

Now assess new technology opportunities including, but not limited to: touch, high speed cellular, tablets, Solid State Drives, Backup systems, cabling,

802.11ac wireless, scanning, printing including your office copier, as well as your meeting or conference rooms. What about using active digital signage? What technology is available that should be used, what does it cost, and what is the return?

Lay out all of the changes, costs and training needed to make these new technologies effective. Do a classic Ben Franklin evaluation where you consider the disadvantages and advantages of changing. Also consider the disadvantages and advantages of remaining the same. Compare these lists, and only act when the change looks to have advantages and the costs show a reasonable return.

### The Results

Prepare to measure the outcome of

your technology investment by looking at your current business measures. Are new or different measures needed? Do we need to create a new baseline measurement of current costs? Consider what the impact of your technology changes will be and look at the measurements.

For example, if you currently complete a task in X amount of time, what is the new Y amount of time after the implementation? If the change made things worse, what can we do to adjust the results?

The more you measure and watch, the better job you will do in the future, and the quicker you will make adjustments when things have gone wrong. If you are doing the proper planning, you will know you have chosen the right new tools, and won't find yourself asking the question: Now what? ●

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# AMS

ADVANCED MICRO SOLUTIONS

# 4 New Year's Resolutions to help accounting firms be more profitable in 2013

By Drew West



**A**s you turn to 2013 business planning, how will your firm drive profitable business from existing clients, and attract new ones? Consider a few resolutions that might lead your firm to an even better year in 2013.

## GET MORE FROM YOUR PEOPLE.

Why not resolve to get more out of your people? But instead of focusing on simply asking everyone to “do more,” why not find ways to help the entire firm be more effective?

Focus on improving resource capacity management. Having the most appropriate people available means more billable capacity and higher margins. Ensure planners have easy visibility to the firm’s entire workload – actual and planned. Such visibility usually comes by marrying the pipeline with actual work-in-process, so capacity is updated as work is completed and as new work is won. With an always-current view of capacity, you can avoid utilization dips and spikes (even during busy season) and eliminate frantic resource shuffling for a new job.

Along with better visibility into capacity, don’t overlook selection – you still need to choose the best talent. Think of ways to identify and categorize your staff. Beyond certifications, consider other skills, industry experience or work preferences. Find ways to include these attributes in the resource selection approach to go beyond “assigning” based on capacity and “select” based on ideal fit for both client and resource.

A sophisticated resource selection process is more likely to consistently

place your people on rewarding client work, and expose the most effective combinations of partners, managers and staff. With the best people on the engagement, you’re more likely to meet client expectations, and achieve the profit you expected – a win for everyone involved.

**UNDERSTAND THE WHY BEHIND THE WHAT.** Few would disagree with a continuous-improvement resolution, yet many firms don’t know with certainty what worked best – or why. Most firms accurately measure profits by client, location, service-line or industry. Yet many find it much more difficult to understand *why* an engagement was (or wasn’t) profitable.

Why is the “why” so elusive? Oftentimes, the data necessary is siloed in different systems that not all staff can view. These “information islands” pose two challenges. First, data-gathering is complicated and time-consuming. Further, disconnected data doesn’t establish cause-&-effect relationships, hiding the whole story beyond the results – just data, no insight.

Resolve to provide better information, so anyone can easily reveal which combinations of client-partner-staff-task led to expected results, and which ones didn’t. Joining client, resource, engagement, and financial results main-

tains the context of the decisions that led to the results, offering insight into how to avoid past mistakes, leading to higher revenue, accelerated cash flow and improved margins.

**PLACE INFORMATION WHERE IT’S NEEDED.** Your people need information wherever they are – the office, a client site, or on the go. Resolve to make mobile devices an advantage for your firm.

First, study mobile activity to see how mobile workers already engage with the “home office.” Find ways to bring accurate status to everyone, everywhere. Look to your practice management system to give even remote staff visibility to firm activity. And don’t let a disparate workforce slow workflow.

Utilize mobile devices for time entry or approving expenses – all without delay. Think of the accuracy real-time information-capture brings to resource capacity or work-in-process, or how an uninterrupted billing workflow accelerates revenue.

Next, review your device policy. Avoid staff disruption and drive widespread adoption with a “BYOD” approach that keeps everyone using their preferred device. Rich displays make remote engagement increasingly easy, as long as your software works appropriately across all devices. With well-proven reimbursement policies and security

approaches, BYOD is becoming common across firms of all sizes.

**PUBLICIZE EXPECTATIONS, SHOW RESULTS.** Resolve to motivate staff with open communication about expectations. Go beyond sharing strategy and objectives at company-wide meetings and infuse a culture-of-accountability into the firm’s daily operations. Imagine firm-wide clarity on individual, group and corporate expectations – with everyone making proactive adjustments if anticipated results slide off target.

Staff can be demoralized by hidden expectations or unclear status – a risk when those accountable see only after-the-fact results. Prevent this by making key performance indicators widely visible, and publish performance status as it happens. If staff is to make proactive adjustments, KPI status can’t be outdated – so you need constant updates as WIP is completed. To do so, have all key information connected in a single environment.

What will your firm resolve to do better in 2013? Maximizing people, gaining insight, leveraging technology and clarifying expectations are four ideas to help your firm achieve the best results. ●



Drew West is the director of marketing for Deltek, a leading provider of enterprise software and information solutions for professional services firms and government contractors. With headquarters in Herndon, VA, the company has more than 1,600 employees worldwide.

## How Do Your IT Controls Measure Up Against The Information Security Triad?

Michael W. Hammond, CISA, CRISC, CISSP

### Confidentiality, Integrity, Availability.

These three terms represent the core principals of any effective information security program. Although often used interchangeably due to their tightly integrated concepts and areas of focus, the facets of a program for which they are used effectively differ in the implementation of controls.

Information Security practices are ever evolving based on the dynamic threat landscape. As such, your IT staff is bombarded from many directions and must remain agile and informed in order to apply effective response to meet these challenges. This pressure includes internal policy, regulatory requirement, and don't forget about the external hackers looking to do you harm.

#### Confidentiality

Keeping your data, or your client's data, confidential means preventing it from being accessed by or exposed to unauthorized individuals. There are many ways data can be kept from prying eyes or innocent bystanders.

Access controls, password protection, and encryption are just three ways to help protect the data. Many states have passed strict privacy laws requiring data confidentiality. Technologies such as full disk encryption for laptops and encrypting backups going off site are seen as mandatory in every business

that has this data.

Your staff may not have confidential data on those laptops, but in addition to losing the passwords cached on the laptops, the brand damage due to the perception of the loss itself may be worse.

#### Integrity

Data integrity applies to any piece of data that is considered an authoritative source and/or is used for decision-making purposes. When data has integrity, there is assurance that unauthorized, malicious, or accidental modifications have not been made to it.

For example, an employee relies on a spreadsheet of receivables, if the spreadsheet has integrity, that employee can feel comfortable the data has not been modified by anyone outside of those job responsibilities. Emails sent with digital signatures mean the one just received from the CEO/President of the company telling everyone they can have Friday off is legitimate.

#### Availability

Finally, data availability ensures the right people have access to the right data when they need it. Following the same spreadsheet example as above, this means that the spreadsheet file is available when needed. If the current copy of the file becomes corrupt or accidentally

deleted, availability controls ensure that a backup copy can be quickly accessed or restored.

Important data should always have a backup, as hardware will eventually fail. Redundancy, and the level of redundancy you build in depend on the importance of the data and the cost benefit, (money spent vs value) to protect the data. Highly available, geographically dispersed, or clustered architectures, may be too little or too much to spend on data availability depending on your business.

#### Examples of Common IT Security Controls

IT CONTROL	CONFIDENTIALITY	INTEGRITY	AVAILABILITY
Access Controls	●		
Passwords	●	●	
Encryption	●	●	
Digital Signature		●	
Backups		●	●
Clustered Servers			●
Redundant data centers			●

Information security is a never-ending cycle, but a false sense of security can be devastating to an organization. You need to have assurance that the controls you have in place will protect your most

valuable assets and keep you from reputational, regulatory or financial harm.

Often management assumes that a vendor's product implementation is secure, all systems are fully patched, or anti-virus is working 100%, but never put it to the test. Vulnerabilities are constantly discovered and exploits are usually not far behind. You, your IT staff, or your outsourced IT provider must be vigilant and test your controls often.

IT Controls are an integral part of an effective information security program. Build a culture of "trust but verify". No harm has ever come

from efforts validating your controls. Depending on the business, it may even be required to have an independent party review those controls on a regular basis. ●



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# Onsite Networking...

## There's a lot of Life in Face-to-Face Forums

**S**ocial media rocks. I get it. I'm out there...posting to Walls, tweeting, Linkin' it up! I'm also soaking up the information that comes in from my social media channels. But it will be a long time, if ever, that online networking forums can match the magic that takes place when practitioners are onsite together—exchanging ideas, sharing knowledge, and imbibing the expertise of peers.

So, while I totally “Heart” Twitter and Facebook, I dig the energy of face-to-face networking and witnessing the camaraderie among practitioners as they learn from each other.

Marketing isn't just about campaigns and bringing in leads. It's also about education; that is, staying on top of new

trends and learning about better ways to deliver your message and continue to build a powerful brand. And what better way to learn about new advancements in marketing than from those trying to accomplish the same results?

### Create Balance

Allow me to place one last plug for social media: Applied purposefully, it's a smart addition to any marketing program. Online networking is here to stay; that's *for sure*. The important thing to remember; however, is to maintain a healthy balance between online and onsite.

That is, leverage the power of digital networking to market your firm and learn while also preserving traditional educational tactics like attending onsite events. Compared to the super coolness of tweeting or blogging, onsite networking is sometimes considered old school. On the contrary, face-to-face forums are a long-standing and faithful tool in the profession—offering a solid venue for exchanging information and learning was'up in the ever-changing tax and accounting profession.

Participants work collaboratively to identify resolutions to common issues and pain points, and all within a supportive and non-competitive environment. And, hey, that's pretty coolalicious!

Onsite events provide participants with a level of energy and in-depth discussion that is difficult to replicate in a web-based environment. Brainstorming for solutions and defining best practices is a complex and dynamic process that is best supported by dedicated in-person interaction. For most, coming up with the next great idea is difficult to do in isolation—especially in the creative realm of marketing.

Typically, it's through a process of group idea slinging that viable solutions evolve and “Ah-ha” moments take place. Put several great accounting minds in the same room and inevitably the marketing Ah-ha's abound.

### Make Room for Onsite Events

Those that regularly attend onsite professional events are talking about more than marketing. They are discussing several elements that help them advance their firms—topics that range from Cloud technologies to collaborative accounting. Even more reason to get in there a mix it up. And unlike online forums, discussions are synchronous.

As ideas evolve, members actively work and rework them, applying practical experience and theory. Immediate multi-way feedback helps to sustain momentum and excitement—motivating participants to take ideas through to completion and devise action plans for implementation. In the end, everyone walks away knowing more. It takes a village.

Professionals are hitting all the hot topics, and these are definitely conversations to get in on. Here are just a few examples of what peers are discussing (in addition to marketing):

- **Client Collaboration**—The ability to collaborate with clients in real time is critical in today's busy professional environment. Clients



want immediate access to their financial documents and data, and a direct reach to their trusted advisor. Creating an online client accounting model is key to supporting an environment of collaboration. This might be one of the hottest topics around.

- **Single Client Database**—Creating a single database is huge right now! This is another exceptionally hot topic. Many firms are honed into discussions on how to build a single client database where information is entered once and can be assessed from one convenient location.
- **Cloud Technologies**—The Cloud is on everyone's tongue. Because many Cloud applications can easily be integrated with today's popular programs (such as QuickBooks), it's much easier to build highly efficient solutions to better serve clients on a 24/7 basis.

### Stay Plugged In

Staying plugged in to all that is going on within the profession is a balancing act. The marriage of social media channels with traditional onsite networking forums provides the balance firms require to get the information needed and stay ahead of change.

While social media makes it easy to access information whenever needed, onsite events support face-to-face connections that drive effusive dialogue and leverage the experience of the many.

Take a moment to see what onsite events are a good fit for your firm. ●



Kristy Short, Ed.D., is partner and Chief Marketing Officer in RootWorks LLC ([RootWorks.com](http://RootWorks.com)) and president of rwc360, LLC ([rwc360.com](http://rwc360.com))—firms dedicated to providing practice management education, branding, marketing, and public relations services to the accounting profession. She is also a professor of English and marketing. Reach her at [kristyshort@cpapracticadvisor.com](mailto:kristyshort@cpapracticadvisor.com).

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# HOW TO Create a No-Equity Partner Position in Your Firm

By Gary Adamson, CPA

**M**ost firms are faced with the dilemma of keeping long term managers who are major contributors to the firm but for whatever reason are not ready to be equity partners (or who perhaps never will have what it takes to be equity partners).

In the past, most of us would not make the decision to outplace the long term managers since from many perspectives including client service, engagement and staff management, profitability, etc., they did a great job. But, there were missing pieces to making them an equity partner - we just weren't willing to make an up or out decision although we were not willing to bring them into the partnership. So, we procrastinated until in many cases they left the firm.

We have also seen the opportunity to make

partner in many firms be limited in the last few years due to the economy and slowing growth. We risk losing some of our stars because we can't bring them in as quickly as we would like.

Both of these different issues have the same result: the loss of high level, talented people. A relatively new approach to dealing with the problem is gaining popularity in medium to smaller sized firms. It is the no - equity partner position. Some firms call it a principal spot. For other firms there is a small piece of equity and they will call it a low equity partner spot.

Regardless, the mission is to create an intermediate level between senior manager and partner. This type of partner position has been a common level on the ladder for the top 100 firms for several years.

Here is an outline of what the position looks like, how it differs from the normal equity partner spot and some considerations to implement it in your firm.

First, the difference between no-equity and equity should be internal only. From the perspective of the public and clients, this is a partner position. Making a new no-equity partner is a big deal and you should celebrate it inside and



especially outside the firm, just as you would a new equity partner. These individuals wear the partner title.

In most firms, the no-equity partners function just like the equity partners in terms of serving clients. They probably have been already as senior managers. The differences are typically in how you pay them and whether they receive other partner benefits like buyout and retirement.

Most firms utilize a different compensation plan for the no-equity partners. They may participate in firm profits to some extent but they are typically not in the equity partner compensation plan or year end pool. It is common to see a base salary that is between a senior manager and an equity partner with a bonus potential based on some percentage of that salary or a profit pool separate from the equity partners.

The no-equities make either a very small equity contribution or none at all and they do not participate in the firm's equity partner goodwill buy out or deferred comp plan. They

do participate in the firm's qualified pension plan and in most cases their other fringe benefits are the same as the benefits provided to equity partners.

From the perspective of firm governance, the no-equity partners should participate in partner meetings including firm retreats. Normally they will not be eligible for service on the firm's executive board or management committee. They will be able to vote their shares if they hold any.

Many firms use the no-equity partner position as a preliminary step to admitting someone as an equity partner. In other words, you will spend some time at the no-equity level while developing your book of business or fulfilling whatever additional requirements are necessary. Most of the time, firms will permit someone to remain indefinitely at the no-equity level. I encourage you to establish and communicate the criteria for moving to the equity level as a part of your firm's career development program. The expectations should be clear.

You may also be witnessing the phenomena in your firm where at least one or two generations of your people don't want the same things that we (the older folks) wanted. Their motivations may be different and they just might be happy (happier) with something less than the full equity role that most of us chased. Maybe title and some recognition/differentiation along with minor financial changes are the perfect combination for them.

Consider the no-equity partner position in your firm. It may be the answer to keeping talented people while helping the firm maintain the right leverage and number of equity owners.



Gary Adamson is the President of Adamson Advisory, specializing in practice management consulting for CPA firms. He is an Indiana University graduate and has extensive hands on experience as the recent managing partner of a top 200 CPA firm. He can be reached at (765)488.0691 or [gadamson@adamsonadvisory.com](mailto:gadamson@adamsonadvisory.com). For more about Adamson Advisory, visit [www.adamsonadvisory.com](http://www.adamsonadvisory.com) or follow the company at [www.adamsonadvisory.com/blog](http://www.adamsonadvisory.com/blog).

# All My Nexus Live in Texas

## A Texas CPA and Rancher Helps His Clients with Sales Tax Issues

Few professionals know state and local taxes (SALT) as well as Andrew Johnson. Not the 17<sup>th</sup> President of the United States, of course, but the Texas CPA who specializes in helping business clients stay compliant with state and local taxes throughout the country. Did I mention that he's also a rancher?

Andrew and fellow CPA Jerry Peisner founded Dallas-based Peisner Johnson & Company, LLP ([www.PeisnerJohnson.com](http://www.PeisnerJohnson.com)) in 1992. Both had worked in the SALT subpractice at Arthur Anderson, which Jerry led. What some may see as uncommon, the firm doesn't offer individual or business income

money that the customers probably would have willingly paid, but now the business owner may be faced with it coming out of their own pockets, with additional penalties."

Businesses and their management can also face more severe penalties. As Andrew wrote in a recent blog post, as states look to collect failing revenue, more and more of them are cracking down with criminal penalties. One Florida restaurant owner even faces up to 30 years in prison if convicted of the felonies he has been charged with.

That's why the firm's core offerings include getting companies registered where they're required to

accounting firms measure how effective their workflow practices and technologies are, and benchmark them to similar practices.

Andrew notes that another issue that often affects even small businesses is that they often don't understand what they have to pay taxes on and collect on. As an example, he cited a former client who was a pool contractor and had failed to pay taxes on many of the supplies their service sold to its customers. Service-based businesses also frequently fall into trouble when they don't realize that some jurisdictions tax those services similarly to a product transaction.

Since his practice doesn't compete on tax and accounting work, one of Andrew's growing specialties is consulting to other accounting firms to help them further develop their knowledge of the issues. They also partner with firms to provide SALT compliance and state audit defense for their clients, and Andrew speaks at numerous conferences and webinars.

He says he always knew that he wanted to run his own business. "I never would have guessed it would be this, because I didn't know about it. Still, it's what I love, and 10 yrs from now I know I'll still be providing services to other businesses. I may not know exactly what those services will be right now, but I'll figure out what clients need and I'll provide it."

Originally from Somerville, New Jersey, Andrew's interest in business and accounting started when he met a consultant who helped a friend reduce taxes on their farm. He decided then, that some day he'd live on a farm and be a tax consultant. So, when he attended BYU, he made accounting his major and followed it up with a Masters in Tax.

"I remember thinking that helping businesses legally reduce their taxes was interesting and I could see myself doing it. Unfortunately, colleges don't really spend time teaching sales and local tax, mostly only federal. So, it really is an area that you learn once you are in practice."



**Andrew Johnson, CPA, Founding Partner**  
**Firm: Peisner Johnson & Company, LLP**  
**LOCATION:** Dallas, TX  
**WEBSITE:** [www.PeisnerJohnson.com](http://www.PeisnerJohnson.com); [www.SteakBurger.com](http://www.SteakBurger.com)  
**PRACTICE SPECIALTIES:** Sales & local taxes: Compliance, nexus mitigation, state tax audit defense, refund and exposure review.  
**EDUCATION:** MST, Brigham Young University  
**HOMETOWN:** Somerville, NJ  
**FAVORITE VACATION LOCATION:** Colorado & Utah  
**SOCIAL MEDIA:** [www.linkedin.com/AndyJohnsonCPA](http://www.linkedin.com/AndyJohnsonCPA)  
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tax preparation, planning, write-up, financial audits or other traditional accounting services. Instead, they focus exclusively on sales and use tax issues for businesses of all sizes.

Although others at Arthur Anderson at the time considered state and local tax somewhat of a step backward in terms of their careers, Andrew says that he and Jerry saw a broad need for the specialty, especially as more and more businesses were facing multi-state taxation issues. The rapid development of e-commerce a few years later further added to the number of businesses who have to deal with increasingly complex and varying tax laws, as well as determining where they have a sales, use or property tax obligation, or nexus.

"Nexus can be an unknown factor for many business owners and managers, and state and local laws are rigorous enough that failing to comply with those laws can easily bankrupt a business," he said. "Businesses often have nexus in more places than they think, and the biggest tragedy is when they later face an audit for failing to collect and remit the taxes they should have collected from customers. That's

do so, helping them set up a system to collect the necessary sales taxes, and providing sales tax return compliance. The practice also represents clients during audits.

The firm started with a pretty big first client, doing sales tax work for Dr Pepper/Seven Up, Inc, before it was acquired by later parent companies. Since then, the practice has grown to serve hundreds of business clients, and has a staff of nearly 25. This makes Peisner Johnson the largest CPA practice that limits their client services to state and local taxes. They process thousands of returns every month and have clients in a broad range of industries, including contracting, healthcare, manufacturing, property management, entertainment, transportation and others.

Over the past 20 years, both of the firm's partners have recognized the integral role that technology plays in both the success of their practice, and in that of their clients. As a result, the firm scored a 375 on CPA Practice Advisor's Productivity Survey ([www.CPAPracticeAdvisor.com/productivity](http://www.CPAPracticeAdvisor.com/productivity)). The survey is a free online tool that helps professional tax and



Firm partners Andrew Johnson, CPA, and Jerry Peisner, CPA.

Most of the staff are hired during or shortly after college, such as Jason Parr, who is now a principal after being with the firm for 18 years. The firm may be a family tradition in the making. Recent hires include Jerry Peisner's son; Dan, and Andrew's oldest son will also be joining the practice after graduation next May.



Staff members from Peisner Johnson & Company enjoy a Dallas Mavericks game.

#### A CPA WITH A SIDE OF BEEF

After college, Andrew and his wife Diane moved to the Dallas area to start their family. Twenty-something years later, and with eight children aged 10 to 26 years old and two grandchildren, their family has been just as successful as his career in accounting.

"Not one to just watch the grass," Andrew and his family run the Johnson Ranch ([www.Steak-Burger.com](http://www.Steak-Burger.com)). The 700 acre commercial cattle ranch in Milford, Texas, has had as many as 150 head (they currently have 35) of grass-fed Black Angus-Hereford mix.

The ranch, which was also licensed as a dairy for awhile, is very much a business venture – not a "hobby". Andrew says, however, that it's also valuable from an educational perspective. "Ranching is a lifestyle and it keeps the whole family busy, from building fences and learning about business, and the facts of life are very evident." The family is also involved with their church, the Boy Scouts and the local school district's booster club.

It's pretty clear that between managing the firm and the ranch, and with a large family, that Andrew and Diane have their hands full. They wouldn't want it any other way. ●



Andrew and Diane Johnson enjoy the bluebonnets on their Texas ranch.

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# New Year, New Law, New Long-Term Plan

By Taija Jenkins, Associate Editor

Since Congress reached a resolution on what's been called the Fiscal Cliff Deal, taxpayers everywhere have been talking about the what the new law means for their tax bill this year. With changes to how much is paid in taxes and which deductions can be taken, many people want to know if they have to pay more in taxes in 2013. However, there is one impact that has been overlooked: the ability to plan long-term.

For the past few years, many businesses and taxpayers weren't able to create financial plans that extended past a year or two due to uncertainty surrounding tax laws. With expirations set for many deductions and tax cuts, it was difficult to know if these items would get extended past their expiration dates. The new Fiscal Cliff Deal changes that with its permanence, explains Geoffrey Harlow, CPA, a partner at Kessler Orlean Silver & Co, PC and member of the Illinois CPA Society.

"The fact that we have something relatively permanent is welcomed news because it allows for long-range planning without worrying about whether things will change,"

says Harlow. "It has been difficult for many of my clients to do long-term planning. With the rules up in the air, it was hard to advise on whether one should take a certain deduction in 2012 or defer it to 2013. How the law is written right now, there's permanence to allow for that long-term planning."

In addition to not being able to plan long-term from a tax standpoint, many Americans have also been postponing updating other important plans while they waited to see the outcome of the pending tax laws. For example, some taxpayers haven't updated their estate plans because they didn't know what the rules were going to be moving forward and how they would impact estate taxes.

"It's a shame when you see people putting off updating their will or even writing one for the first time because of uncertainty about estate taxes," said Harlow. "People didn't want to pay to sit with a lawyer to make important non-tax decisions, such as selecting a guardian for their children, and have to pay to sit down again in 2013 once the new laws were in effect."

While the changes enacted by the Fiscal Cliff Deal allow for long-range planning for business and personal finances, there's not much planning that can be done for this tax season. The window of advantage would've

been at year-end, but, unfortunately, the deal wasn't made until after the new year.

"The new laws will affect different people in different ways depending on their individual financial situation," said Harlow. "The best thing for individuals and business owners to do is to work with a financial advisor to see how the new laws affect them and what they can do to better deal with the new laws moving forward."

Small business owners, in particular, will have to decide how to proceed moving forward as it relates to classifying their business. For many business owners they have chosen to be organized as a pass-through entity, such as an LLC taxed as a partnership or a subchapter C corporation. Under this situation, the business didn't pay taxes directly, but rather the revenue was passed to the owner's personal income and taxes were paid there.

"Now that the top tax rate on individual income has increased to 39.6 percent, we may see a trend of pass-through entities converting to

being taxed as sub-chapter C corporations," said Harlow.

The decision of organizing as a pass-through entity isn't as clear-cut as the tax rate. There are still a lot of valid reasons for being a pass-through entity and small business owners will want to consider both the tax and non-tax ramifications. In addition, business owners will want to pay attention to the tax laws at the federal, state and local levels.

"Small business owners need to, first, keep really good records. Bad record-keeping has been the cause of many lost deductions in the past," said Harlow. "Second, they need to be aware of what the rules are and how that impacts their business so they can make the right decisions. Lastly, they need to focus on long-term planning, not just minimizing taxes in one year."

Now that the Fiscal Deal has been reached and is in place, it has tremendous potential to help both business owners and taxpayers in their long-term income and estate tax planning. Americans should take advantage of that, Harlow advises. ●



Taija Jenkins is an associate editor for CPA Practice Advisor.